



SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

June 30, 2014

Ms. Angela Calvillo, Clerk of the Board
Board of Supervisors
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Subj: File No. 130788 [Planning Code - Expanding Formula Retail Controls]

Small Business Commission Recommendation: **No Recommendation**

Dear Ms. Calvillo:

At its meeting of June 23, 2014, the Small Business Commission heard Board of Supervisors (BOS) File No. 130788. The Commission moved to make no recommendation on the legislation. The Commission believed that the legislation does not amend the formula retail controls in a balanced way. Rather, it broadly expands the use categories to which formula retail controls will apply, which will result in a deluge of new conditional use authorization (CUA) hearings at a Planning Commission with an already full docket. Furthermore, the legislation contains no provisions to expedite review of the least controversial applications. Experience has shown that simple requests – such as changes of ownership within the same use category – might be more efficiently handled through an administrative process.

In the Commission's view, the legislation does not embrace many of the quantitative and qualitative findings of the Planning Department's "San Francisco Formula Retail Analysis." For instance, the Analysis found no relationship between increasing commercial rents and formula retail occupancies. Yet, the legislation strives to discourage all formula retail by imposing an onerous economic impact study requirement on nearly all formula retail applications, even those with small store footprints that are most likely to be owned by local franchisees.

On June 9, 2014, the Small Business Commission moved to approve a related proposal put forth by the Planning Department to amend formula retail controls. The Commission suggested the legislative sponsor continue his dialogue with the Planning Department to unify both proposals. The Commission found many valuable aspects in the Planning Department's legislation, and believes it should be possible to align both pieces of legislation into a single proposal.

Thank you for considering the Commission's recommendation on this legislation. Please feel free to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Regina Dick-Endrizzi'.

Regina Dick-Endrizzi
Director, Office of Small Business

SUBJ: FILE NO. 130788 [PLANNING CODE - EXPANDING FORMULA RETAIL CONTROLS]
(6/30/2014)

cc: Jason Elliot, Mayor's Office
Nick Pagoulatos, Office of Supervisor Eric Mar
Aaron Starr, Planning Department
Kanishka Burns, Planning Department
AnMarie Rodgers, Planning Department
Andrea Ausberry, Office of the Clerk of the Board